

8 July 1983

Office of Personnel ChecklistSocial Security for New Hires

25X1 We met with [] to discuss how best to launch the development of a supplemental retirement plan that will resolve Agency concerns flowing from the requirement to put new hires after January 1984 under Social Security coverage. 25X1 [] is the Agency consultant we have used for several years to prepare the annual report to the Congress on CIARDS; he is probably the Nation's foremost expert on Federal retirement programs.

25X1 [] regards our objective as a very complicated matter that would have to be very carefully developed. At our request, he will contact 25X1 an actuary who is an expert in retirement matters to determine what the cost of actuarial services might be. Based on his own personal contacts, [] doubts that there will be any Congressional or Administration action on a supplemental plan before 1984, more likely 1985, before such a plan is aired by the Congress. While he agrees that we should continue our efforts to develop the specifics of our own plan, he has urged that we not get "up front" on this until we know the specifics of either the Congressional or Administration plan. 25X1 Once we have identified actuarial and other costs, we will submit a staff paper to the Executive Director outlining the financial resources that will be needed in order for us to proceed.

January 1984--U.S. Government Less Attractive as an Employer

Increasing numbers of potential applicants are expressing their concern over the prospects of paying into the "dual" retirement system that becomes effective 1 January 1984. They recognize that a combined 14% bi-weekly retirement contribution obligation makes Agency employment less attractive and increases the financial hardship if they have to reside in a high cost-of-living area like Washington, D.C. The U.S. Government is becoming less attractive as an employer. We expect that this trend will continue to escalate as we draw closer to the new year and that considerable pressure will be exerted by both the applicants and the components to EOD large numbers of applicants prior to 1 January 1984.

S E C R E T

25X1